UNDP

UNITED NATIONS DEVELOPMENT PROGRAMME

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DP/PROJECTS/7277

ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF
URUGUAY

IPF:(1992-96) $ 4 728 000; Cost sharing /MSA: $ 15 985 000

(URU/91/004) - Support to the Municipal Development Programme

Date of approval by the AC:[1]	15 April 1992
Expected duration:	Three years
Proposed executing agency:	Government
Government implementing agency:	Ministry of Transports and Public Works
Proposed UNDP contribution:	$ 40 000 Source of funds:IPF
Government cost sharing:	$ 1 655 200
Total UNDP budget:	$ 1 695 200

Project background

With only 14 percent of the population living in rural areas, Uruguay is one of the countries with the largest urban concentration in Latin America. Various studies have revealed that the internal migration from rural areas to urban centers is due to the general economic stagnation and particularly the technological set-back of the agricultural sector, and the differences in the levels of social development existing between the interior and the capital of the country.

In an effort to overcome this situation, the Government has initiated a process of economic decentralization through the development of the agroindustry in the interior of the country, aiming to improve the living conditions and encourage families to settle down in these areas.

The current project will support the second phase of the Municipal Development Programme initiated in 1984, basically consisting of two groups of activities: (i) public works in the 18 Municipalities of the interior of the Country; and (ii) institutional strengthening of the Municipal Government in terms of the application of investment programming, project identification, recovery of investment costs, etc. and the definition of coordination mechanisms between the municipalities and the Ministry of Transport and Public Works.

The present approval falls within the context of implementing the process of decentralization where the municipal authorities are given the support to effectively assume operational responsibilities in their management of their municipalities without having to rely on the Central Government.

[1] This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.

This component has three main elements: (1) Managerial strengthening of the 18 Municipalities; (2) Institutional strengthening of the Municipal Development Directorate (MDD) of the Ministry of Transport and Public Works; and (3) Cadastral revision in urban and sub-urban areas of 18 Departments of the Country and establishment of a computerized network compromising the 18 municipalities and the National Directorate of Cadastre, based in Montevideo.

Description of project

The immediate objectives of the project are to: (a) reach qualitative and quantitative improvements in the availability and administration of tax-revenue in the Municipalities; and (b) build institutional capacities in the Municipalities of the interior in areas of identification, formulation, evaluation, execution and follow-up of investment projects, enabling them to become direct recipients of external credit from development programmes.

Project activities will include the provision of appropriate mechanisms for: (a) establishing and modifying taxes on a more equitative and real basis; (b) avoiding tax evasion; and (c) aiming to reach balanced municipal budgets.

Inputs

UNDP will provide the international coordinator of the project (36 man-months); three international experts in cadastre (36 man-months), municipal financial management (24 man-months) and municipal investment projects (24 man-months); four national consultants in tax administration (96 man-months); four national consultants in project formulation and evaluation (96 man-months); one national consultant for the economic evaluation of projects (12 man-months); a subcontract for the gathering and processing of survey data required for determination of efficiency indexes of investment projects; two vehicles; reproduction and communication equipment; software and computer equipment; and miscellaneous costs.

Financial data

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Personnel	1 460 000
Subcontract	63 000
Equipment	161 600
Miscellaneous	14 600
Total	1 695 200

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